

If the information requested in the supplemental section is also provided on an attachment, contact the individuals listed in the Questions section of this Directive.

General

- Any questions related to the Directive should be addressed to Jamie Motley at 225-2646 or jamie.motley@doa.virginia.gov.
- The following GASB statements are effective for fiscal year 2006: **GASBS No. 42**, *Accounting and Financial Reporting for Impairment of Capital Assets and Insurance Recoveries*, **GASBS No. 44**, *Economic Condition Reporting: The Statistical Section (an amendment of NCGA Statement 1)*, **GASBS No. 46**, *Net Assets Restricted by Enabling Legislation*, and **GASBS No. 47**, *Accounting for Termination Benefits*.
- **GASBS No. 42**, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, requires evaluation of events and circumstances that might impair the value of capital assets. It also provides guidance on reporting permanently impaired capital assets and all insurance recoveries. Attachments 8, 9, 10, 13A, and 18 have been revised to gather this information for CAFR reporting. Agencies that may have impaired capital assets should read and understand the requirements of **GASBS No. 42**.
- **GASBS No. 46**, *Net Assets Restricted by Enabling Legislation*, provides additional clarification and reporting guidance on net assets that are restricted as a result of enabling legislation. It is our opinion that this statement does not affect the Commonwealth's net assets in most cases based on paragraph 20 of **GASBS No. 46**. The Appropriations Act allows the transfer of cash from non-general funds to the General Fund to cover budgetary deficits and there is a prior history of this happening. Contact Jamie Motley immediately at 225-2646 or jamie.motley@doa.virginia.gov if you have net assets restricted by enabling legislation.
- Training will be provided for this Directive at no charge to the agencies. The training will cover new attachments, new GASB statements, substantial changes to prior year attachments, and detailed discussion of certain problem areas. **It is mandatory** that state agencies who must complete information contained in this Directive attend the training. DOA is offering one class that will be applicable to all agencies. DOA is offering two dates for this class. To register for the class, go to www.doa.virginia.gov and click on the "Training" link.
 - June 12, 2006 at the James Monroe Building, First Floor, Conference Rooms D&E
 - June 19, 2006 at the James Monroe Building, First Floor, Conference Rooms D&E

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General, Continued

- Agencies will be notified within a few days of submission due dates if DOA determines the information provided is unacceptable. The deficiency will be identified and a revised date will be provided. Original submissions should be materially correct. Multiple submissions and / or failure to provide corrected information within the specified timeframe will result in citation in the Comptroller's *Quarterly Report on Statewide Financial Management and Compliance*.
- E-mail submissions are required for all submissions unless an individual submission indicates otherwise. Agencies should only submit **one** copy of each submission to DOA at: finrept@doa.virginia.gov. Agencies should remember to copy the Auditor of Public Accounts (APA) on all e-mail submissions at: APAFinRept@apa.virginia.gov.
- The subject line of the e-mail should include the agency number and due date of the submission. For example, if the Department of Treasury is submitting items due on July 20, then the subject line would read "**Agy 152, Due Date July 20, 2006 Submissions.**" **DO NOT include different due date submissions within the same e-mail.**
- Only cells highlighted in yellow allow for data entry. Messages have been added that provide assistance to individuals having trouble entering data when the established parameters are not being followed. **Failure to correct keying errors denoted by validation messages prior to submission will prohibit acceptance of the attachment.**
- Revision control logs are included in the majority of the attachment workbooks. These logs require the agency to identify the specific worksheets and tabs that have been modified **after** DOA's original acceptance. These logs should also provide a cumulative listing of changes to each attachment. The individual attachment instructions indicate whether the revision control log is applicable. **Failure to adhere to the revision instructions specified for each attachment will prohibit acceptance of revisions.** DOA will notify agencies if problems are encountered with revision submissions.
- For CAFR reporting purposes, the Commonwealth capitalizes all equipment that has a cost or value greater than \$50,000 and an expected useful life of greater than two years. In addition, for CAFR reporting purposes, the Commonwealth capitalizes all other assets that have a cost or value greater than \$100,000 and an expected useful life of greater than two years. **These CAFR reporting capitalization thresholds do not affect capitalization thresholds on FAACS.** Proprietary agencies will be able to specify their individual capitalization limits in the financial statement template capital asset footnote tab.

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General, Continued

- If an agency is required to prepare financial statements for purposes other than the Comptroller's Directive, the affected agencies will still have to prepare those financial statements. However, unless otherwise specified in the **Supplemental Information** section of the Directive, these financial statements will not have to be submitted to DOA. For those agencies that are audited by the APA, the APA will audit the template for CAFR purposes.

New Attachments

Attachment 4, Energy Performance Contracts

- Attachment 4 will capture financial activity related to the energy performance contracts.

Attachment 13A, GASBS No. 42, Impairment of Capital Assets and Insurance Recoveries

- Attachment 13A will capture information related to the impairment of capital assets and insurance recoveries.

Attachments with Changes

Attachment 1, Checklist to Determine Information Required by Comptroller's Directive:

- Several changes were made to the list of agencies that are required to submit GAAP Basis (GASBS No. 34) Financial Statement Templates. **Attachment 1** identifies the agencies that are required to submit templates.
- Several changes were made to the list of agencies that are required to submit Supplemental Information. **Attachment 1** identifies the agencies that are required to submit Supplemental Information.
- Agencies are only required to submit the **Fund Description.xls** file with Attachment 1 if revisions are needed to the file. This file is located on DOA's website at www.doa.virginia.gov. Click on "Financial Reporting" and then click on "Financial Statement Directives."
- Agencies are required to answer questions related to insurance recoveries and where the amounts are reported on CARS, if applicable.

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Attachments with Changes, continued

Attachment 5, Leave Liability Statement – CIPPS and Non-CIPPS Users:

- Agencies are required to report the total leave liability of the agency on Attachment 5 whether all employees are on CIPPS or not. In the prior year there was one attachment for employees on CIPPS and a separate attachment for employees not on CIPPS. The leave database developed from the leave data reported on the U027 report will still be available for employees on CIPPS. **The database will be available on DOA's website by mid-July 2006.**
- Agencies are required to key amounts for employees on CIPPS whether the leave liability database is correct or not. In the prior year, amounts did not have to be keyed into the attachment if the leave liability database was correct.

Attachment 6, Schedule of Outstanding Installment Purchase Obligations:

- The fund / fund detail that is used to repay the installment purchase obligation must be listed.

Attachment 8, Governmental Fund Financial Statement Template:

- New accounts payable footnote detail line items have been added and therefore the accounts payable footnote tab has been eliminated.
- New unearned revenue line item has been added to the fund and government-wide financial statement templates.
- New other financing sources-insurance recoveries line item has been added to the fund financial statement template.
- New line items have been added related to long-term debt such as unamortized discount and unamortized premium.

Attachment 9, Enterprise Fund Financial Statement Template:

- New accounts payable footnote detail line items have been added and therefore the accounts payable footnote tab has been eliminated.
- Tab 3 - Capital Assets, and Tab 7 - Miscellaneous, have new parts to obtain **GASBS No. 42** information regarding the impairment of capital assets and insurance recoveries.
- New cash flow analysis tab has been added to help the agency determine whether changes in assets and liabilities on the cash flow statement are correct and requires the agency to explain any differences.

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Attachments with Changes, continued

Attachment 10, Internal Service Fund Financial Statement Template:

- New accounts payable footnote detail line items have been added and therefore the accounts payable footnote tab has been eliminated.
- Tab 3 – Capital Assets, has a new part to obtain **GASBS No. 42** information regarding the impairment of capital assets and insurance recoveries.
- Tab 7 – Miscellaneous, has new parts to obtain **GASBS No. 42** and **GASBS No. 46** information.
- New cash flow analysis tab has been added to help the agency determine whether changes in assets and liabilities on the cash flow statement are correct and requires the agency to explain any differences.

Attachment 11, Private-purpose Trust Fund Financial Statement Template:

- New accounts payable footnote detail line items have been added and therefore the accounts payable footnote tab has been eliminated.
- Payment to literary fund line item has been eliminated. This activity is now reported directly in the Literary fund.

Attachment 12, Agency Fund Financial Statement Template:

- New accounts payable footnote detail line items have been added and therefore the accounts payable footnote tab has been eliminated.
- New line items have been added to report any amounts invested in the State Non-Arbitrage Program (SNAP) or the Local Government Investment Pool (LGIP).

Attachment 13, Capital Asset Accounting and Control System (FAACS) Analysis:

- A new section has been added to capture construction in progress for payables (P vouchers) at year-end.

Attachment 14, Federal Schedules:

- Agencies will be required to list the contract number or other identifying number when the CFDA number is unknown.

Attachment 18, Receivables as of June 30:

- A new question has been added to the Reconciliation tab about insurance recoveries reported as receivables.

Attachment 20, Schedule of Cash, Cash Equivalents, and Investments at June 30:

- The 0-3 months and 4-12 months maturity columns have been combined into one column called less than one year. Cash equivalents and / or investments may be reported in this new column.

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